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TONKON TORP LLP
 1600 Pioneer Tower
 888 S.W. Fifth Avenue
 Portland, OR 97204

Attorneys for Debtor

IN THE UNITED STATES BANKRUPTCY COURT
 FOR THE DISTRICT OF OREGON

In re)	Case No. 10-33070-rld11
)	
Redhills Development Company, LLC, a)	DEBTOR'S APPLICATION TO
limited liability company,)	EMPLOY PRUDENTIAL REAL
)	ESTATE PROFESSIONALS AS
Debtor.)	BROKER

Pursuant to 11 U.S.C. § 327 and Fed. R. Bankr. P. 2014, Redhills Development Company, LLC, Debtor and Debtor-in-Possession (collectively, "Debtor"), hereby moves this Court for entry of an order authorizing Debtor to employ Prudential Real Estate Professionals ("Broker") as real estate brokers in connection with Debtor's efforts to sell certain real properties substantially on the terms set forth in the Willamette Valley Multiple Listing Service Listing Agreement attached as Exhibit 1 ("Listing Agreement"). In support of this Application, Debtor represents:

BACKGROUND

1. On April 12, 2010, (the "Petition Date") Debtor filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Bankruptcy Code. Pursuant to Sections 1107 and 1108 of the Code, Debtor continues to operate its business and

1 manage its property as Debtor and Debtor-in-Possession. No trustee or examiner has been
2 requested or appointed in Debtor's case.

3 2. Debtor has provided notice of this Application to its secured creditors,
4 to the 20 largest unsecured creditors, and to the Office of the United States Trustee. No
5 unsecured creditors' committee has yet been appointed in this case. Because of the nature of
6 the relief requested, Debtor respectfully submits that no further notice of the relief requested
7 is necessary or required under the circumstances.

8 3. Debtor was formed in 2002 and has several real estate developments
9 throughout the Willamette Valley, including the Cambridge View development in Salem,
10 Oregon. It is the ordinary course of Debtor's business to develop land, build single-family
11 residential homes, and sell those homes to the public.

12 4. This Court has jurisdiction over this matter pursuant to 28 U.S.C.
13 §§ 157 and 1334 and Fed. R. Bankr. P. 2014.

14 5. Debtor wishes to retain Broker to assist in connection with Debtor's
15 efforts to sell the home and a bare lot located at 4747 Southamptton Drive, Salem (Lots 2 and
16 3 of Cambridge View) and homes for the remaining lots in Salem as well as such other and
17 further properties that Debtor requests Broker to assist in selling (each a "Property" and
18 collectively, the "Properties"). Debtor may retain such other brokers as it deems necessary or
19 appropriate for other properties.

20 6. Debtor has selected Broker because of its expertise, reputation, and
21 experience in handling transactions of a similar size and nature. Moreover, Broker served as
22 Debtor's broker prior to this bankruptcy and is familiar with Debtor, the Properties, and the
23 local real estate market.

24 7. Debtor proposes to pay Broker up to a 6.0% commission in connection
25 with the sale of each Property without further leave of court in the regular course of Debtor's
26 business upon the closing of sales in which Broker provided services in accordance with the

1 form of Listing Agreement. Debtor requests authority to enter into listing agreements for
2 each Property to be sold on substantially the same terms as found in attached Exhibit 1.

3 8. Broker has indicated its willingness to serve as real estate broker for
4 Debtor in connection with the sale of the Properties, to follow Debtor's directions regarding
5 the scope of Broker's activities on Debtor's behalf, and to receive compensation for
6 professional services rendered only upon application and entry of applicable orders of this
7 Court.

8 9. To Debtor's best knowledge, Broker has no connection with Debtor,
9 the creditors, or any other party-in-interest, their respective attorneys and accountants, the
10 U.S. Trustee, or any person employed in the office of the U.S. Trustee, except as set forth in
11 the attached Rule 2014 Verified Statement.

12 10. Debtor intends to pay Broker up to a 6.0% commission for the sale of
13 each Property only upon the closing of such sales to the contracted buyers. This is Broker's
14 ordinary and customary commission, and it is standard for the industry and market.

15 WHEREFORE, Debtor requests that the Court enter an order authorizing
16 Debtor to employ Broker substantially in the form of Exhibit 2.

17 DATED: April 16, 2010.

18 TONKON TORP LLP

19
20 By /s/ James K. Hein
21 Timothy J. Conway, OSB No. 851752
22 James K. Hein, OSB No. 054621
23 Attorneys for Debtor
24
25
26

EXHIBIT 1

LISTING PROFILE RESIDENTIAL (Under 1 Acre)



WILLAMETTE VALLEY
Multiple Listing Service



Property Type: (Choose One) <input checked="" type="checkbox"/> Residence <input type="checkbox"/> Manufactured <input type="checkbox"/> Condominium		() Indicates Required Field	
*Listing Type: (Choose One) <input type="checkbox"/> Exclusive Right to Sell <input type="checkbox"/> Exclusive Agency		MLS #:	
House Number Pre-Direction Street Name Post Direction		*Price: \$ 349,900	
*Address: 4747 Southampton SE,		Cross Street: Battle Creek Sq	
*City: Salem		*Zip Code: 97302	
*Area: 40 (Refer to Boundary Map if Unsure)		*County: Marion	
*Property Address Internet Display: <input type="checkbox"/> Yes <input type="checkbox"/> No			
Schools - Elementary: Bungle Middle: Jackson High: South Salem			
*Lot: 2 Block: Subdivision: Cambridge View		*Acres:	
Approx Lot Dimensions: 90 X 74		Approx Lot Sq Ft:	
*Tax Account #:		Possession: COE	
Tax Amount: \$		Tax Years: 2010	
Assessments or Special Liens: <input type="checkbox"/> Yes <input type="checkbox"/> No			
*# of Bedrooms: <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input checked="" type="checkbox"/> 3 (Check one) <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6+		*TOTAL SQ FT (Approximate) 2760	
*# of Baths: <input type="checkbox"/> 1 <input type="checkbox"/> 1.5 <input type="checkbox"/> 2 (Check one) <input checked="" type="checkbox"/> 2.5 <input type="checkbox"/> 3 <input type="checkbox"/> 3.5 <input type="checkbox"/> 4 <input type="checkbox"/> 4.5 <input type="checkbox"/> 5+		*Source of Sq Ft Data: <input checked="" type="checkbox"/> County <input type="checkbox"/> Fee <input type="checkbox"/> List Broker <input type="checkbox"/> Owner	
# of Baths Lower Level/Basement		*Year Built: 2007	
1.5 # of Baths on Level 1/Main		Exterior Color: Beige	
1.0 # of Baths on Level 2/Upper			
*Home Style: <input type="checkbox"/> 1 story <input type="checkbox"/> 1.5 story (Check one) <input checked="" type="checkbox"/> 2 story <input type="checkbox"/> Split entry <input type="checkbox"/> Cabin <input type="checkbox"/> 3/tri-level <input type="checkbox"/> Other		*Garage Type: <input checked="" type="checkbox"/> Attached <input type="checkbox"/> Carport (Check one) <input type="checkbox"/> Detached <input type="checkbox"/> None	
*Garage Capacity: <input type="checkbox"/> 0 <input type="checkbox"/> 1 <input checked="" type="checkbox"/> 2 (# of Vehicles) <input type="checkbox"/> 3 <input type="checkbox"/> 4+			
*Manufactured Home (MH) Information			
MH Exempted (Detitled): <input type="checkbox"/> Yes <input type="checkbox"/> No			
MH Type: <input type="checkbox"/> Single Wide <input type="checkbox"/> Double Wd. <input type="checkbox"/> Triple Wd.			
MH Size:			
MH Make:			
MH Model:			
MH Serial #:			
*Listing Broker Name: Roger Menall		*List Date	
*Listing Office Name/Code: Prudential Real Estate Professionals		*Expiration Date	
Listing Broker Phone/Fax: 503-931-2209		*Owner Name: Redhills Development LLC	
Co-List Broker Name: Bonnie Menall		Owner Phone	
Co-List Broker Office Name/Code: Prudential Real Estate Professionals		Occupant Name	
Occupant Phone			
For Sale Sign: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		*Selling Office Commission: 3%	
Lockbox: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		*Buyer's Agent Co-op: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
*I AM <input type="checkbox"/> I AM NOT offering different cooperating compensation to different potential cooperating brokers.		*Dual/Variable Rate Commission: <input type="checkbox"/> Yes <input type="checkbox"/> No	
Inclusions			
Directions to Property: Battle Creek Rd. To Southampton			
Exclusions			
Owner/Authorized Signer(s) Initials: [Signature]		Date: 3/19/10	
Listing Broker Initials: [Signature]		Date: 3/19/10	
Principal/Managing Broker Initials:		Date:	

Listing Agreement, Page 1 of 4
(Listing Profile)

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LISTING PROFILE

RESIDENTIAL (Under 1 Acre)

Address: 4747 Southanston SE

MLS #

WILLAMETTE VALLEY
Multiple Listing Service

EQUAL OPPORTUNITY

Public Remarks

Great Room style w/ corner fireplace & vaulted ceiling opening to gourmet kitchen w/ breakfast nook & bar, master or main bedroom w/ tub, w/ C & double sinks, office/den, formal dining 15x14, bonus room 10x9, lot, a really great neighborhood, quiet and E-Z access to I-5. Back yard has creek & lots of distance to next property.

Private Remarks

Creating Privacy.

FEATURES (Check all that Apply)

(*) Indicates Required Field

A) BASEMENT

1 ☐ Daylight2 ☐ Finished3 ☐ Full4 ☐ Partial5 ☐ Unfinished

B) BONUS ROOMS

1 ☒ Breakfast Room/Nook2 ☐ Den3 ☒ Loft4 ☐ Mudroom5 ☒ Office6 ☐ Rec Room7 ☐ Walk-in Pantry8 ☐ Workshop9 ☐ Other (Refer to Remarks)

C) DINING

1 ☒ Area (Combination)2 ☒ Formal

D) DISHWASHER

1 ☒ Built-in2 ☐ Portable

E) DISPOSAL

1 ☐ No2 ☒ Yes

F) DUAL LIVING

1 ☐ No2 ☐ Possible3 ☐ Yes

G) FENCED YARD

1 ☐ Partial2 ☐ Yes

H) FIREPLACE

1 ☒ Family Room2 ☐ Living Room3 ☐ Other Room4 ☐ Electric5 ☒ Gas6 ☐ Pellet7 ☐ Propane8 ☐ Stove9 ☐ Wood

I) FLOOD PLAIN

1 ☐ No2 ☐ Unknown3 ☐ Yes

J) FLOORING

1 ☒ Carpet2 ☐ Laminate3 ☐ Marble4 ☐ Stone5 ☒ Tile6 ☐ Vinyl7 ☐ Wood8 ☐ Other (Refer to Remarks)

K) FOUNDATION

1 ☒ Continuous2 ☐ Pier3 ☐ Slab

L) HANDICAP AMENITIES

1 ☐ No2 ☐ Yes (Refer to Remarks)

M) HEATING-COOLING

1 ☐ Baseboard2 ☐ Central Air Conditioning3 ☐ Electric4 ☐ Floor Furnace5 ☒ Forced Air6 ☒ Gas7 ☐ Heat Pump8 ☐ Hot Water9 ☐ None10 ☐ Oil11 ☐ Propane12 ☐ Radiant Ceiling13 ☐ Radiant Floor14 ☐ Solar15 ☐ Stove16 ☐ Wall Furnace17 ☐ Window Unit (AC)18 ☐ Wood19 ☐ Zonal20 ☐ Other (Refer to Remarks)

N) HIGH SPEED

COMMUNICATIONS ACCESS

1 ☐ Available2 ☐ Present3 ☐ Unknown

O) HOME WARRANTY

1 ☐ Negotiable2 ☐ No3 ☐ Yes

P) HOMEOWNERS ASSN

AMENITIES

1 ☐ Equestrian2 ☐ Exercise Equipment3 ☐ Golf4 ☐ Swimming Pool5 ☐ Tennis Court6 ☐ Other (Refer to Remarks)

Q) HOMEOWNERS ASSN FEE

1 ☒ No2 ☐ Yes

R) INSPECTION REPORT

AVAILABLE

1 ☒ No2 ☐ Yes

S) LANDSCAPE

1 ☐ No2 ☒ Yes

T) LOT TYPE

1 ☐ Common Area2 ☐ Cul-de-sac3 ☒ Dimension Above4 ☐ Irregular5 ☐ Zero Lot Line

U) OUTBUILDINGS

1 ☐ Barn2 ☐ Separate Shop3 ☐ Shed4 ☐ Other (Refer to Remarks)

V) PATIO

1 ☐ Covered Deck2 ☐ Covered Patio3 ☒ Deck4 ☐ Patio

W) PHOTO INSTRUCTIONS

1 ☐ Agent to Supply Photo2 ☐ MLS to Take Photo3 ☐ No Picture Needed4 ☐ To Be Built5 ☐ Under Construction

X) RANGE FACILITY

1 ☐ Built-in2 ☐ Downdraft3 ☐ Electric4 ☒ Gas5 ☐ Microwave Included6 ☐ None7 ☐ Propane8 ☐ Range Included

Y) ROOF

1 ☐ Asbestos2 ☐ Built-up3 ☒ Composition4 ☐ Metal or Aluminum5 ☐ Shake6 ☐ Shingle7 ☐ Tar8 ☐ Tile9 ☐ Other (Refer to Remarks)

Z) RV/CAMPER PAD

1 ☐ Area/Room for2 ☐ Pad3 ☐ RV Disposal

AA) SEWER

1 ☒ City2 ☐ Septic

AB) SHOWING INSTRUCTIONS

1 ☐ 24-hour Notice2 ☐ Appointment Necessary3 ☐ Beware of Pets4 ☐ Call Listing Broker5 ☐ Call Listing Office6 ☐ Courtesy Call/Show7 ☐ Key at Listing Office8 ☒ Key Box9 ☐ Refer to Private Remarks10 ☒ Vacant

AC) SIDING

1 ☐ Aluminum2 ☐ Asbestos3 ☐ Block4 ☒ Brick5 ☐ Cedar6 ☒ Composite7 ☒ Fiber Cement8 ☐ Redwood9 ☐ Rock10 ☐ Shake11 ☐ Shingle12 ☐ Stucco13 ☐ Vinyl14 ☐ Wood15 ☐ Other (Refer to Remarks)

AD) SIDING STYLE

1 ☐ Board & Batt2 ☒ Lap3 ☐ T111

AE) SWIMMING POOL

1 ☐ Above-ground Pool2 ☐ In-ground Pool3 ☐ Hot Tub4 ☒ Spa

AF) TERMS SELLER WILL

CONSIDER

1 ☐ Assume Present Financing2 ☒ Cash3 ☐ Conventional4 ☐ Federal Land Bank5 ☐ Federal VA6 ☐ FHA7 ☐ First Trust Deed8 ☐ Land Sales Contract9 ☐ Lease Option10 ☐ ODVA11 ☐ Second Trust Deed12 ☐ Trade

AG) VIEW

1 ☐ Golf Course2 ☐ Mountain3 ☒ Territorial4 ☐ Water Frontage

AH) WATER

1 ☒ City2 ☐ Connected3 ☐ Not Available4 ☐ Possible5 ☐ Private/Community/ District6 ☐ Shared Well7 ☐ Spring8 ☐ Well

AI) WATER HEATER

1 ☐ Electric2 ☒ Gas3 ☐ Propane4 ☐ Solar

USE same Pictures
& Virtual Tour

Listing Broker Signature

Date

Owner/Authorized Signer

Date

Principal/Managing Broker Initials:

Date:

Owner/Authorized Signer

Date

Listing Agreement, Page 2 of 4
(Listing Profile)

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AUTHORIZATION & DISCLOSURES

WILLAMETTE VALLEY
Multiple Listing Service

Address	4747 Southampore SE	City	Salmon	Zip	97302	MLS #	
Owner Name	Red Hill Development CO LLC					Price	\$349,900

Seller has granted Listing Broker the Exclusive Right to Sell or exchange the property described on the attached listing profile (the "Subject Property"). Listing Broker is a member of the Willamette Valley Multiple Listing Service ("WVMLS") and must submit this listing to WVMLS unless a signed certification form is attached requesting this listing not be submitted to WVMLS. As a condition of WVMLS permitting entry of this listing into the WVMLS system, Seller acknowledges and assents to all the following:

- Members of WVMLS may act as Buyer's agents in procuring or attempting to procure a Buyer for the Subject Property.
- Seller warrants that the listing data provided by Seller is accurate. Seller agrees to defend Listing Broker and its salespeople, agents, representatives, and employees, and all members of WVMLS and WVMLS itself and to pay all costs of defense and to pay any judgment entered against any of them and to hold all of them completely harmless if any information in the listing contract, profile sheets or any Sellers Property Disclosure Statement issued by Seller is inaccurate or incomplete or if Seller has not completely and accurately disclosed all defects in the property.
- Seller understands that Listing Broker and all members of WVMLS will rely on the accuracy of the listing data in this document in providing their service to Seller.
- Seller acknowledges that WVMLS will release data about the Subject Property to other members of WVMLS and to the public. In Seller's opinion, none of this information, including any post-closing sales data and concession information if any, is confidential, and Seller approves its dissemination. WVMLS shall retain and make available all such data and photographs to all its participants (real estate brokers, appraisers, and affiliated professionals) for an indefinite period. At the request of the Listing Broker, WVMLS will electronically transmit information about the Subject Property to Internet web sites to aid in marketing the property for sale. At the request of Listing Broker, WVMLS will include the address of the Seller's property in transmissions of data to web sites.
- Under no circumstances will WVMLS permit data about the Subject Property to be deleted from WVMLS's systems in order to conceal any information, including information that the property was listed for a period of time by another broker or brokers.
- All information, including any photos, submitted to WVMLS ("listing data") becomes the property of WVMLS.
- Seller understands that WVMLS assumes no responsibility or liability to Seller for errors or omissions in the WVMLS systems.
- Listing Broker's use of WVMLS's systems is subject to the duties imposed on Listing Broker by the rules and regulations of WVMLS; Seller consents to Listing Broker carrying out all tasks necessary to comply with these rules and regulations. Listing Broker is required to promptly provide information to WVMLS about any change in status or price of the Seller's listing. If the Seller's property is sold, the Broker must report to WVMLS the price and terms of the sale. Neither the Seller nor any prospective Buyer of the property can alter the Broker's responsibility to report all such data to WVMLS by agreement.
- Although WVMLS provides a lockbox service, Seller acknowledges that electronic lockboxes are not security devices but instead are aids to access properties for marketing purposes. Seller acknowledges that Listing Broker has informed Seller of the risks associated with having a lockbox on the Subject Property.
- Listing Broker and WVMLS comply at all times with Federal, State, and local fair housing laws, and Seller hereby consents to the revision of information about the Subject Property in the WVMLS system to the extent necessary in WVMLS's judgment to comply with these and all other laws.

Seller and Listing Broker acknowledge that only pp. 1 - 3 of WVMLS's standard listing form is required for submission to WVMLS. Seller and Listing Broker are free to use the contract provided by WVMLS (p. 4 of the listing form) or to enter in any exclusive agency agreement negotiated between them, provided an executed copy of any contract between them is retained by the Listing Broker for the period set out in the WVMLS rules and applicable law.

<u>Roger M. Smith</u>	<u>3/19/10</u>	<u>Michael K. Smith</u>	<u>3/19/10</u>
Signature of Listing Broker Representative	Date	Owner/Authorized Signer	Date
<u>Prudential Real Estate Services</u>			
Listing Broker Firm Name		Owner/Authorized Signer	Date
<u>1200 20th SE SE</u>	<u>Salmon</u>		
Listing Broker Address	City	Owner/Authorized Signer Address	City
Principal/Managing Broker Initials: _____	Date: _____		

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Listing Agreement, Page 3 of 4
(Authorizations/Disclosures)

LISTING CONTRACT

WILLAMETTE VALLEY
Multiple Listing Service

Address	<u>4747 South Hampton</u>	City	<u>Salem</u>	Zip	<u>9730</u>	MLS #	
Owner Name	<u>Redhill development CO LLC</u>					Price \$	<u>349,900</u>

For value received, Seller Grants Listing Broker the Exclusive Right to sell or exchange the property described on the attached listing profile (the "Subject Property") at the price and terms noted therein. Listing Broker agrees to put forth its best efforts to secure a Buyer and effect a sale for Seller. If Seller has so indicated on the form entitled Disclosure Regarding Agency Relationships, of which Seller hereby acknowledges receiving a copy, Listing Broker may also act in a disclosed limited agency capacity in accordance with that Disclosure. Seller understands that this contract is an Exclusive Right to Sell Listing Agreement and that if anyone finds a Buyer for the Subject Property, INCLUDING SELLER, Seller must pay a commission to Listing Broker. Seller's Initials: LM

Seller agrees to pay Listing Broker, in cash at closing, a commission equal in amount to \$_____ or 6 % of the selling price of the Subject Property in the event of one of the following: a closing occurs on an offer Seller accepts from a Buyer for any price and terms Seller accepts, OR Seller accepts a Buyer's offer but the transaction does not close because of Seller's failure or refusal to close, OR any sale, exchange or conveyance of the Subject Property occurs during the term of this contract, OR Listing Broker places Seller in contact with a Buyer to whom Seller sells or conveys the property within 90 days after the termination of this agreement without representation of another real estate broker. In case of exchange, Seller has no objection to Listing Broker representing and accepting compensation from Seller in addition to other parties to the exchange. Seller authorizes Listing Broker to accept a deposit on the purchase price. Seller further allows Listing Broker a reasonable time after termination or expiration of this contract to close any transaction on which earnest money is then deposited. If following the expiration or termination of this agreement, Seller lists the Subject Property for sale with another real estate broker, to the extent the commission stated in this agreement would result in Seller's liability for more than one brokerage fee, the Seller is excused from paying Listing Broker's commission.

Seller warrants that Seller has the legal right and capacity to sell and convey the Subject Property, that the listing data provided by Seller is accurate and that the Subject Property is free of encumbrances except as set out in documents of record (except for real property taxes for the current fiscal year, which are to be prorated.) Seller agrees to furnish the Buyer a good and sufficient conveyance and to furnish a standard owner's title insurance policy at closing in the amount of the purchase price. The policy will show good and marketable title to the property and Seller's right to convey the property. Seller represents that there are no agreements with Listing Broker or anyone else that pertain to a sale of the Subject Property that are not disclosed in this contract.

Seller authorizes Listing Broker to submit this listing to the Willamette Valley Multiple Listing Service ("WVMLS") unless a signed certification form is attached requesting this listing not be submitted to WVMLS. In Seller's opinion, none of this listing data, including post-closing sales data and concessions information if any, is confidential and Seller approves its dissemination. Members of WVMLS may act as Buyer's agents in procuring or attempting to procure a Buyer under the terms of this contract. Seller authorizes Listing Broker and its customers, WVMLS members and their customers, and inspectors hired by a prospective Buyer to enter any part of the Subject Property to inspect it at any reasonable time in accordance with the showing instructions on page 2 of the listing profile.

Seller agrees to defend Listing Broker and its salespeople, agents, representatives, and employees and to pay all costs of defense and to pay any judgment entered against any of them and to hold all of them completely harmless if any information in this contract or any Sellers Property Disclosure Statement issued by Seller is inaccurate or incomplete or if Seller has not completely and accurately disclosed all defects in the property.

Any dispute or claim that arises out of or that relates to this agreement or the services to be rendered under it shall be resolved by arbitration in accordance with the then effective arbitration rules of Arbitration Service of Portland, Inc. Any claim hereunder shall be filed with the Arbitration Service of Portland and held in the county where the property is located. Judgment upon the award rendered pursuant to such arbitration may be entered in any court having jurisdiction, and Seller agrees to pay such reasonable attorney fees and costs as the arbitrator may award in the arbitration and as a court (including any appellate court) may award in any hearing on any petition relating to a request to stay the arbitration, to enjoin litigation, or to confirm, modify, or vacate the arbitration award.

In the event earnest money or additional earnest money is received and thereafter forfeited, after deducting all costs incurred by the Broker on behalf of the Seller, the forfeited earnest money and additional earnest money shall be dispersed 100 % to Seller and 0 % to Listing Broker to the extent of the Broker's commission with residue to Seller. Sellers Initials: LM

If this contract is withdrawn from WVMLS, or Seller withdraws the authority given to Broker herein, Seller agrees to pay Broker the full commission set forth in line 7 above.

This agreement expires on the 28th day of May, 2011. Accepted this 19 day of MARCH 2010.

THIS IS A LEGALLY BINDING CONTRACT WHEN EXECUTED BY ALL PARTIES. IF YOU DO NOT UNDERSTAND IT, YOU SHOULD CONSULT A LAWYER BEFORE SIGNING IT.

Roger Mennell
Signature of Listing Broker Representative
Prudential Real Estate Profs.
Listing Broker Firm Name
1220 20th St SE Salem
Listing Broker Address
City
Principal/Managing Broker Initials: _____ Date: _____

LM
Owner/Authorized Signer
3/19/10
Date
Owner/Authorized Signer
Date
Owner/Authorized Signer Address
City

Listing Agreement, Page 4 of 4
(Listing Contract)

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EXHIBIT 2

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF OREGON

In re

Redhills Development Company, a limited
liability company,

Debtor.

Case No. 10-33070-rld11

**ORDER APPROVING DEBTOR'S
APPLICATION TO EMPLOY
PRUDENTIAL REAL ESTATE
PROFESSIONALS AS BROKER**

THIS MATTER came before the Court on Debtor's Application to Employ Prudential Real Estate Professionals as Broker (the "Application"). The Court having reviewed the Application together with the Rule 2014 Verified Statement and finding that the employment is appropriate;

NOW, THEREFORE, IT IS HEREBY ORDERED that the Application is GRANTED, and Debtor is authorized to employ Prudential Real Estate Professionals ("Broker") as real estate brokers in connection with Debtor's efforts to sell various real properties substantially on the terms set forth in the Willamette Valley Multiple Listing Service Listing Agreement ("Listing Agreement") attached to the Application, and Debtor is further authorized

to pay Broker commissions for Broker's services in accordance with the Listing Agreement in the ordinary course of Debtor's business, without further leave or order from this Court.

#

Presented by:

TONKON TORP LLP

By /s/ James K. Hein
Timothy J. Conway, OSB No. 851752
James K. Hein, OSB No. 054621
888 S.W. Fifth Avenue, Suite 1600
Portland, OR 97204-2099
Telephone: 503-221-1440
Facsimile: 503-274-8779
E-mail: tim.conway@tonkon.com
james.hein@tonkon.com
Attorneys for Debtor

cc: List of Interested Parties

034312\00001\1141424 V001

CERTIFICATE OF SERVICE

I hereby certify that I served the foregoing **DEBTOR'S APPLICATION TO EMPLOY PRUDENTIAL AS BROKER** on the parties indicated as "ECF" on the attached List of Interested Parties by electronic means through the Court's Case Management/Electronic Case File system on the date set forth below.

In addition, I served the foregoing on the parties indicated as "Non-ECF" on the attached List of Interested Parties:

☒ by mailing a copy thereof in a sealed, first-class postage prepaid envelope, addressed to each attorney's last-known address and depositing in the U.S. mail at Portland, Oregon on the date set forth below;

☐ by causing a copy thereof to be hand-delivered to said attorneys at each attorney's last-known office address on the date set forth below;

☐ by sending a copy thereof via overnight courier in a sealed, prepaid envelope, addressed to each attorney's last-known address on the date set forth below; or

☐ by faxing a copy thereof to each attorney at his last-known facsimile number on the date set forth below.

DATED: April 16, 2010.

TONKON TORP LLP

By /s/ James K. Hein
Timothy J. Conway, OSB No. 851752
James K. Hein, OSB No. 054621
Of Attorneys for Debtor

034369/00004/2158576v1

LIST OF INTERESTED PARTIES

In re Redhills Development Company, LLC
U.S. Bankruptcy Court Case No. 10-33070-rld11

ECF PARTICIPANTS:

- US Trustee, Portland USTPRegion18.PL.ECF@usdoj.gov
- aaron@belllawfirm.com
- dcswell@balljanik.com
- jgardner@bjllp.com

NON-ECF PARTICIPANTS:

SECURED CREDITORS

Lane County Tax Collector
125 E 8th Ave
Eugene, OR 97401

Marion County Tax Collector
POB 3416
Portland, OR 97208-3416

Marion County Tax Collector
POB 2511
Salem, OR 97308-2511

Washington County
155 N 1st St
Hillsboro, OR 97124

Yamhill County
535 NE 5th St
McMinnville, OR 97128

TOP 20 UNSECURED CREDITORS

Citibank
POB 6925
The Lakes, NV 88901-6925

Spring Gardens Landscaping
2970 Dorothy St NE
Salem, OR 97301

Michael and Shelley Raine
611 Donald Lane
Newberg, OR 97132

Geffen Mesher
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UNITED STATES BANKRUPTCY COURT
DISTRICT OF OREGON

In re)
) Case No. _____
)
)
Debtor(s)) RULE 2014 VERIFIED STATEMENT
) FOR PROPOSED PROFESSIONAL

Note: To file an amended version of this statement per ¶19, file a fully completed amended Rule 2014 statement on LBF #1114 and clearly identify any changes from the previous filed version.

1. The applicant is not a creditor of the debtor except:
2. The applicant is not an equity security holder of the debtor.
3. The applicant is not a relative of the individual debtor.
4. The applicant is not a relative of a general partner of the debtor (whether the debtor is an individual, corporation, or partnership).
5. The applicant is not a partnership in which the debtor (as an individual, corporation, or partnership) is a general partner.
6. The applicant is not a general partner of the debtor (whether debtor is an individual, corporation, or partnership).
7. The applicant is not a corporation of which the debtor is a director, officer, or person in control.
8. The applicant is not and was not, within two years before the date of the filing of the petition, a director, officer, or employee of the debtor.
9. The applicant is not a person in control of the debtor.
10. The applicant is not a relative of a director, officer or person in control of the debtor.
11. The applicant is not the managing agent of the debtor.
12. The applicant is not and was not an investment banker for any outstanding security of the debtor; has not been, within three years before the date of the filing of the petition, an investment banker for a security of the debtor, or an attorney for such an investment banker in connection with the offer, sale, or issuance of a security of the debtor; and is not and was not, within two years before the date of the filing of the petition, a director, officer, or employee of such an investment banker.
13. The applicant has read 11 U.S.C. §101(14) and §327, and FRBP 2014(a); and the applicant's firm has no connections with the debtor(s), creditors, any party in interest, their respective attorneys and accountants, the United States Trustee, or any person employed in the office of the United States Trustee, or any District of Oregon Bankruptcy Judge, except as follows:

14. The applicant has no interest materially adverse to the interest of the estate or of any class of creditors or equity security holders.
15. Describe details of all payments made to you by either the debtor or a third party for any services rendered on the debtor's behalf within a year prior to filing of this case:
16. The debtor has the following affiliates (as defined by 11 U.S.C. §101(2)). Please list and explain the relationship between the debtor and the affiliate:
17. The applicant is not an affiliate of the debtor.
18. Assuming any affiliate of the debtor is the debtor for purposes of statements 4-13, the statements continue to be true except (list all circumstances under which proposed counsel or counsel's law firm has represented any affiliate during the past 18 months; any position other than legal counsel which proposed counsel holds in either the affiliate, including corporate officer, director, or employee; and any amount owed by the affiliate to proposed counsel or its law firm at the time of filing, and amounts paid within 18 months before filing):
19. The applicant hereby acknowledges that he/she has a duty during the progress of the case to keep the court informed of any change in the statement of facts which appear in this verified statement. In the event that any such changes occur, the applicant immediately shall file with the court an amended verified statement on LBF #1114, with the caption reflecting that it is an amended Rule 2014 statement and any changes clearly identified.

THE FOLLOWING QUESTIONS NEED BE ANSWERED ONLY IF AFFILIATES HAVE BEEN LISTED IN STATEMENT 16.

20. List the name of any affiliate which has ever filed bankruptcy, the filing date, and court where filed:

21. List the names of any affiliates which have guaranteed debt of the debtor or whose debt the debtor has guaranteed. Also include the amount of the guarantee, the date of the guarantee, and whether any security interest was given to secure the guarantee. Only name those guarantees now outstanding or outstanding within the last 18 months:

22. List the names of any affiliates which have a debtor-creditor relationship with the debtor. Also include the amount and date of the loan, the amount of any repayments on the loan and the security, if any. Only name those loans now outstanding or paid off within the last 18 months:

23. List any security interest in any property granted by the debtor to secure any debts of any affiliate not covered in statements 20 and 21. List any security interest in any property granted by the affiliate to secure any debts of the debtor not covered in statements 21 and 22. Also include the collateral, the date and nature of the security interest, the name of the creditor to whom it was granted, and the current balance of the underlying debt:

24. List the name of any affiliate who is potentially a "responsible party" for unpaid taxes of the debtor under 26 U.S.C. §6672:

I verify that the above statements are true to the extent of my present knowledge and belief.

Applicant